

**EXHIBIT A**

**LEGAL BOUNDARY DESCRIPTION OR MAP OF  
TAX INCREMENTAL DISTRICT NO. 18  
CITY OF WEST ALLIS**

[INCLUDED IN PROJECT PLAN]

**EXHIBIT B -**

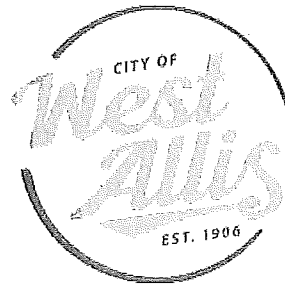
**PROJECT PLAN**

[DISTRIBUTED SEPARATELY]



November 12, 2019

# Project Plan for the Creation of Tax Incremental District No. 18 (Chr. Hansen Expansion)



Organizational Joint Review Board Meeting Held:	Scheduled for November 7, 2019
Public Hearing Held:	Scheduled for November 12, 2019
Approval by Community Development Authority:	Scheduled for November 12, 2019
Adoption by Common Council:	Scheduled for December 3, 2019
Approval by the Joint Review Board:	TBD

# Tax Incremental District No. 18 Project Plan

## City of West Allis Officials

### Common Council

Dan Devine	Mayor
Michael Czaplewski	Council Member
Vincent Vitale	Council Member
Martin Weigel	Council Member
Gary Barczak	Council Member
Michael May	Council Member
Thomas Lajsic	Council Member
Daniel Roadt	Council Member
Rosalie Reinke	Council Member
Kevin Haass	Council Member
Tracy Stefanski	Council Member

### City Staff

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John F. Stibal	Director of Community Development
Kail Decker	City Attorney
Peggy Steeno	Director of Finance/Comptroller/Treasurer
Steven A. Braatz, Jr.	City Clerk
Patrick Schloss	Community Development Manager

### Community Development Authority

John F. Stibal, Executive Director	Wayne B. Clark
Gerald C. Matter, Chair	Karin M. Gale
Ald. Michael Czaplewski	Pete Hansen
Ald. Kevin Haass	Jason Metz

### Joint Review Board

Dan Devine, Mayor	City Representative
Aaron Hertzberg, Economic Development Director	Milwaukee County
Richard Busalacchi, V.P. – West Allis Campus	Milwaukee Area Technical College District
Marty Lexmond, Superintendent	West Allis – West Milwaukee School District
Wayne B. Clark	Public Member

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## SECTION 1: Executive Summary

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### Description of District

Tax Incremental District (“TID”) No. 18 (“District”) is a proposed industrial district comprising approximately 7 acres including the existing Chr. Hansen facility located at 9015 W. Maple Street, and additional parcels owned by Chr. Hansen (“Developer”) located to the east, west and northwest of the facility (See map in Section 3). The Developer is a global bioscience company that develops and produces cultures, enzymes, probiotics and natural colors for a variety of foods, confectionery, beverages, dietary supplements, animal feed and plant protection. The District will be created to pay the costs of incentives to support Developer’s plan to expand its facilities in West Allis (“Project”). Specifically, Developer plans an expansion (“Phase I”) consisting of construction of a 20,000 square foot building to provide a larger footprint for its Food Cultures & Enzymes facility. The Project will also include renovations to space for corporate operations. The addition represents an estimated \$9 - \$18 million capital investment in the facility that is expected to create 25 - 30 new jobs.

The Developer has indicated that the trajectory of the current business and future growth plans leave the company positioned to invest in further expansions within the District (“Phase II”). To allow for the possibility for future growth and expansion, Developer recently acquired several adjacent apartments and the Knights of Columbus Hall. While no specific additional investment in the site beyond the 20,000 square foot addition is currently proposed, the Project Plan (“Plan”) for the District has been written to accommodate potential additional expansions.

### Estimated Total Project Cost Expenditures

The City anticipates making total expenditures of approximately \$13.6 million (“Project Costs”) to undertake the projects listed in this Plan. Project Costs include:

- An estimated \$1.4 million in Phase I “pay as you go” incentive payments for the 20,000 square foot expansion. To be eligible to receive the incentive payments, Developer must complete the Phase I improvements not later than December 31, 2022.
- A \$11.9 million placeholder for additional Phase II “pay as you go” incentive payments that would be paid if Developer further expands within the District. This figure is an estimate and could increase or decrease: actual incentive amounts available would be determined by the timing and amount of incremental value created. Payment of incentives for any Phase II investment would be available only for buildings or building additions where construction commences prior to July 1, 2025.
- \$200,000 for incentives or other Project Costs to support housing or other economic development in areas located within ½ mile of the District.
- \$155,000 for District administrative expense to include cost to create the District.

### Incremental Valuation

The City projects that Developer’s Phase I investment will create \$5,000,000 in incremental value. For purposes of illustration only, the City has assumed Phase II investment will create an additional \$35,000,000 in incremental value. Creation of this additional value will be made possible by the Project Costs made within the District. Assumptions as to the development timing and associated values is included in Section 10 of this Plan.

### Expected Termination of District

Based on the Economic Feasibility Study located within this Plan, the City anticipates that the District will generate enough tax increment to pay all Project Costs within 17 years, reflecting 15 years of actual tax increment collection given the interval between the time improvements are constructed and the time when taxes are first received. The District would be permitted to remain open for up to twenty years if necessary.

### Summary of Findings

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. **That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City.** In reaching this determination, the City has considered the discussions and negotiations it has had with Developer and their representations as to the need for public investment in the Project in order to allow for it to proceed within the City. It is the City’s judgement that but for provision of appropriate incentives, the Developer will likely elect to expand its operations in Denmark or elsewhere instead of within the City.
2. **The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.** In making this determination, the City has considered that in addition to the creation of incremental value, the Project will result in short-term construction and long-term bio-science industry employment opportunities, and general improvement of the District area likely to enhance values of nearby property.
3. **The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.** As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in Appendix A of this plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use at the time of creation of the District will remain zoned for industrial use for the life of the District.
5. Based on the foregoing finding, the District is designated as an industrial district.
6. The Project Costs relate directly to promoting industrial development in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.

8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the three-year period preceding adoption of this Resolution.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.



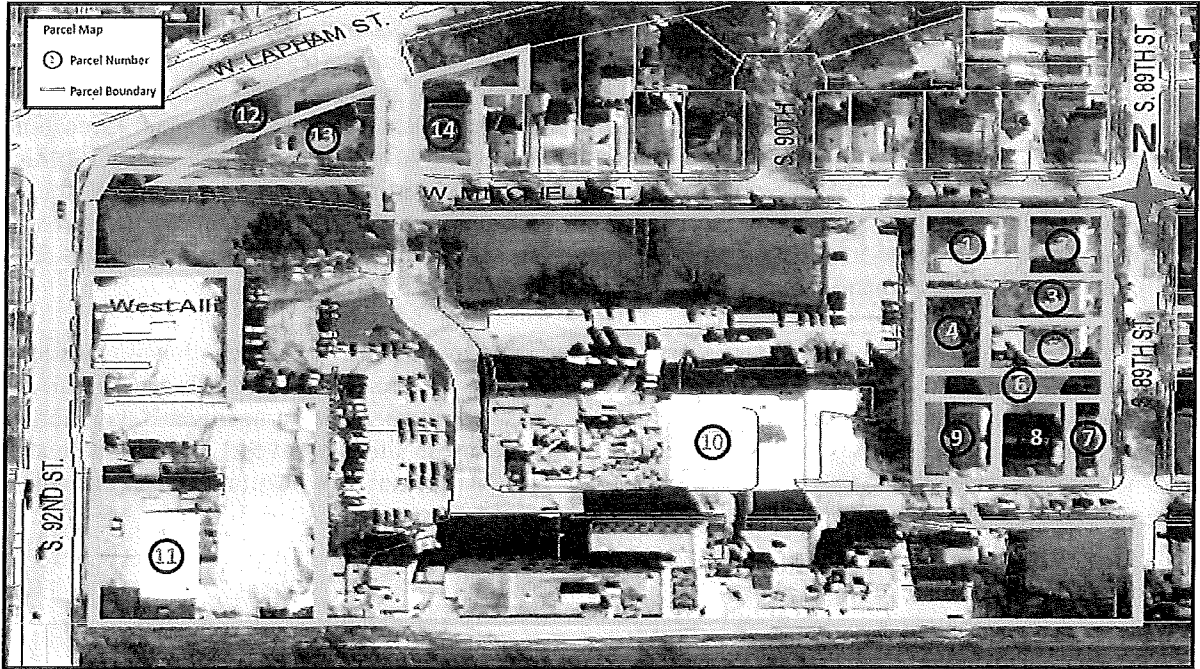
## SECTION 2: Type and General Description of District

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The District is a proposed industrial district comprising approximately 7 acres including the existing Chr. Hansen facility located at 9015 W. Maple Street, and additional parcels owned by Chr. Hansen located to the east, west and northwest of the facility (See map in Section 3). The Developer is a global bioscience company that develops and produces cultures, enzymes, probiotics and natural colors for a variety of foods, confectionery, beverages, dietary supplements, animal feed and plant protection. The District will be created to pay the costs of incentives to support Developer's plan to expand its facilities in West Allis. Specifically, Developer plans an expansion consisting of construction of a 20,000 square foot building to provide a larger footprint for its Food Cultures & Enzymes facility. The Project will also include renovations to space for corporate operations. The addition represents an estimated \$9 - \$18 million capital investment in the facility that is expected to create 25 - 30 new jobs.

The Developer has indicated that the trajectory of the current business and future growth plans leave the company positioned to invest in further expansions within the District. To allow for the possibility for future growth and expansion, Developer recently acquired several adjacent apartments and the Knights of Columbus Hall. While no specific additional investment in the site beyond the 20,000 square foot addition is currently proposed, the Project Plan for the District has been written to accommodate potential additional expansions.

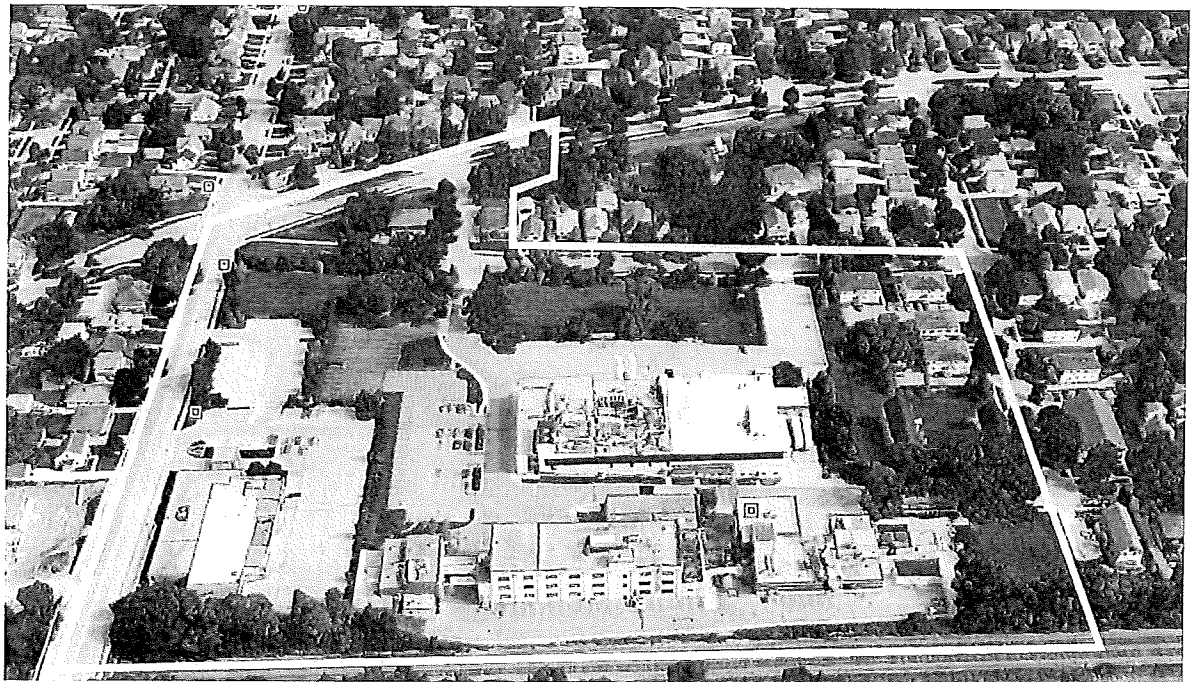
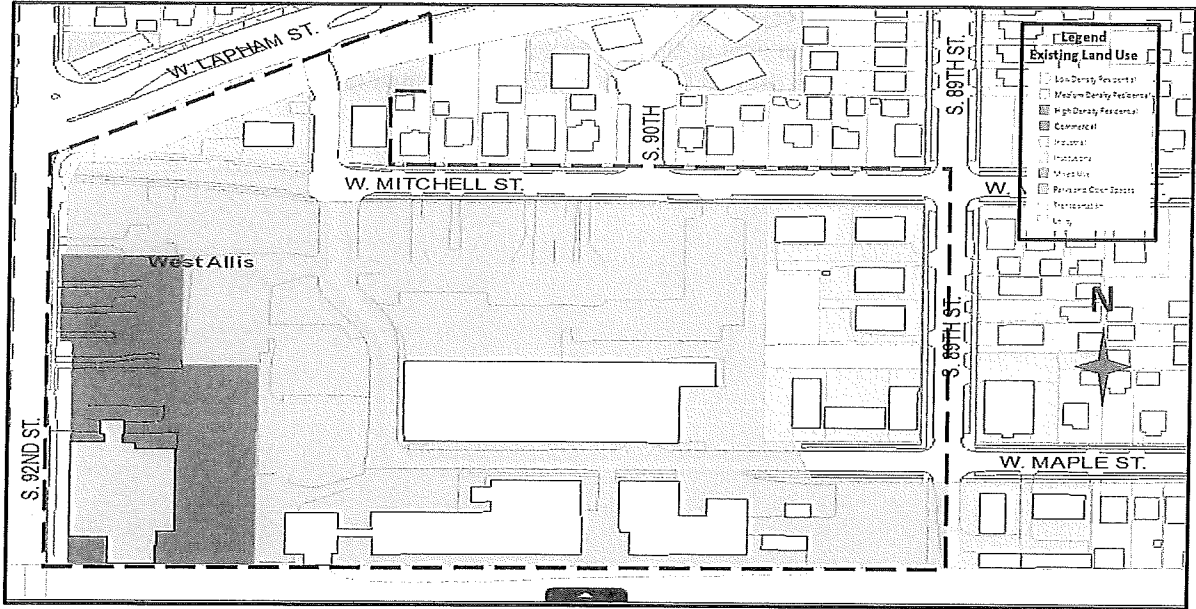
# SECTION 3: Preliminary Map of Proposed District Boundary



- Parcel Map**
- ① 8917 W. Mitchell St.
  - ② 8905 W. Mitchell St.
  - ③ 1717 S. 89<sup>th</sup> St.
  - ④ 1700 Block S. 89<sup>th</sup> St.
  - ⑤ 1721 S. 89<sup>th</sup> St.
  - ⑥ 1700 Block S. 89<sup>th</sup> St.
  - ⑦ 8902 W. Maple St.-  
1743 S. 89<sup>th</sup> St.

- Parcel Map**
- ⑧ 8908 W. Maple St.
  - ⑨ 8914 W. Maple St.
  - ⑩ 9015 W. Maple St.
  - ⑪ 1800 S. 92<sup>nd</sup> St.
  - ⑫ 1600 Block S. 88<sup>th</sup> St.
  - ⑬ 9106 W. Mitchell St.
  - ⑭ 9032 W. Mitchell St.

# SECTION 4: Maps Showing Existing Uses and Conditions



## SECTION 5: Preliminary Parcel List and Analysis

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The table located on the following page identifies the parcels to be included in the District. The City finds that 7.09 acres, or 100% of the total area of the real property within the District is suitable for industrial sites as defined by Wis. Stat. § 66.1101 and has been zoned for industrial use.

**City of West Allis, Wisconsin**  
**Tax Increment District #18 (Chr. Hansen Expansion)**  
**Base Property Information**

Property Information			Assessment Information				Equalized Value				District Classification					
Map Ref #	Parcel Number	Street Address	Owner <sup>1</sup>	Acreage <sup>1</sup>	Land <sup>2</sup>	Imp <sup>2</sup>	Pp <sup>2</sup>	Plus Assumed Land Value <sup>3</sup>	Less Demo of Imp. <sup>4</sup>	Total	Equalized Value Ratio <sup>4</sup>	Land	Imp	PP	Total	Industrial (Zoned and Suitable) <sup>1</sup>
1	451-0400-001	8917 W. Mitchell St.	CHR. Hansen, Inc.	0.167	41,900	66,700			(66,700)	41,900	97.20%	43,107	0	0	43,107	0.167
2	451-0396-001	8905 W. Mitchell St.	CHR. Hansen, Inc.	0.138	40,600	68,000			(68,000)	40,600	97.20%	41,770	0	0	41,770	0.138
3	451-0403-002	1717 S. 89 St.	CHR. Hansen, Inc.	0.166	41,900	66,700			(66,700)	41,900	97.20%	43,107	0	0	43,107	0.166
4	451-0403-005	1700 Block S. 89 St.	CHR. Hansen, Inc.	0.130	6,400	0				6,400	97.20%	6,584	0	0	6,584	0.130
5	451-0403-003	1721 S. 89 St.	CHR. Hansen, Inc.	0.165	41,700	65,900			(66,900)	41,700	97.20%	42,901	0	0	42,901	0.165
6	451-0404-001	1701 Block S. 89 St.	CHR. Hansen, Inc.	0.128	16,200	0				16,200	97.20%	16,667	0	0	16,667	0.128
7	451-0405-000	8902 W. Maple St.	CHR. Hansen, Inc.	0.078	23,700	85,100			(85,100)	23,700	97.20%	24,383	0	0	24,383	0.078
8	451-0406-000	8908 W. Maple St.	CHR. Hansen, Inc.	0.162	40,700	67,900			(67,900)	40,700	97.20%	41,872	0	0	41,872	0.162
9	451-0407-001	8914 W. Maple St.	CHR. Hansen, Inc.	0.162	40,700	84,600			(84,600)	40,700	97.20%	41,872	0	0	41,872	0.162
10	451-1006-000	1719 S 89 ST & 9015 W MAPLE ST	CHR. Hansen, Inc.	3.578	573,800	2,621,400	3,297,100			6,492,300	97.20%	590,329	2,696,914	3,392,078	6,679,321	3.578
11	451-1002-000	1800 S. 92 St.	CHR. Hansen, Inc.	1.802	0	0		288,945		288,945	97.20%	297,268	0	0	297,268	1.802
13	451-0393-005	9032 W. Mitchell St.	CHR. Hansen, Inc.	0.208	59,300	46,800			(46,800)	59,300	97.20%	61,008	0	0	61,008	0.208
14	451-0395-001	9106 W. Mitchell St.	CHR. Hansen, Inc.	0.202	59,900	48,500			(48,500)	59,900	97.20%	61,626	0	0	61,626	0.202
					<b>Total Acreage</b>		<b>7.086</b>			<b>986,800</b>	<b>3,222,600</b>	<b>3,297,100</b>	<b>288,945</b>	<b>(601,200)</b>	<b>7,194,245</b>	
											<b>Estimated Base Value</b>			<b>7,401,486</b>		
											<b>1,312,495</b>	<b>2,696,914</b>	<b>3,392,078</b>	<b>7.086</b>		
														<b>100.00%</b>		

**NOTES:**

- <sup>1</sup>Information obtained from City of West Allis GeoWeb Parcel Viewer on 8-27-2019.
- <sup>2</sup>2019 assessed values provided by City (e-mail dated 8-22-2019). Base value will be calculated using 2020 assessed values.
- <sup>3</sup>Assumes former tax-exempt Knights of Columbus site land will be assessed at same value per acre as current CHR. Hansen, Inc. parcel 451-1006-000.
- <sup>4</sup>Improvements located on these parcels were demolished in January 2019 and will not be included within the District's base value.
- <sup>5</sup>Ratio shown is for 1-1-2018. (1-1-2019 ratio unavailable as of 10-7-2019).

## SECTION 6: Equalized Value Test

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The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

<b>City of West Allis, Wisconsin</b>	
<b>Tax Increment District #18 (Chr. Hansen Expansion)</b>	
<b>Valuation Test Compliance Calculation</b>	
District Creation Date	12/3/2019
	Valuation Data
	Currently Available
	2019
Total EV (TID In)	4,010,376,800
12% Test	481,245,216
Increment of Existing TIDs	163,813,000
Projected Base of New or Amended District	7,401,486
Total Value Subject to 12% Test	<u>171,214,486</u>
Compliance	<b>PASS</b>

## SECTION 7: Statement of Kind, Number and Location of Proposed Public Works and Other Projects

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Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 8 of this Plan along with the Detailed List of Project Costs found in Section 9 provide additional information as to the kind, number and location of potential Project Costs.

### **Property, Right-of-Way and Easement Acquisition**

#### Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

#### Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

#### Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

### **Utilities**

#### Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit

to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs. The improvements to the wastewater treatment facilities, although not within the ½ mile radius, is an eligible project cost under Wis. Stat. § 66.1105(2)(f)1 k.

#### Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

#### Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

#### Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

#### Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.



### Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

## **Streets and Streetscape**

### Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

### Streetscaping and Landscaping

To attract development and/or redevelopment consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

## **Community Development**

### Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

### Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its CDA may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

### Contribution to Community Development Authority (CDA).

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

## **Miscellaneous**

### Projects Outside the Tax Increment District

Pursuant to Wis. Stat. § 66.1105(2)(f)1.n, the City may undertake projects within territory located within one-half mile of the boundary of the District provided that: 1) the project area is located within the City's corporate boundaries; and 2) the projects are approved by the Joint Review Board. The cost of projects completed outside the District pursuant to this section are eligible project costs and may include any project cost that would otherwise be eligible if undertaken within the District. Implementation of the Plan may require the City to make the following project cost expenditures outside the District:

1. Payment of development incentives or other Project Costs to encourage redevelopment projects.
2. Payment of development incentives or other Project Costs for residential property rehabilitation.

### Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

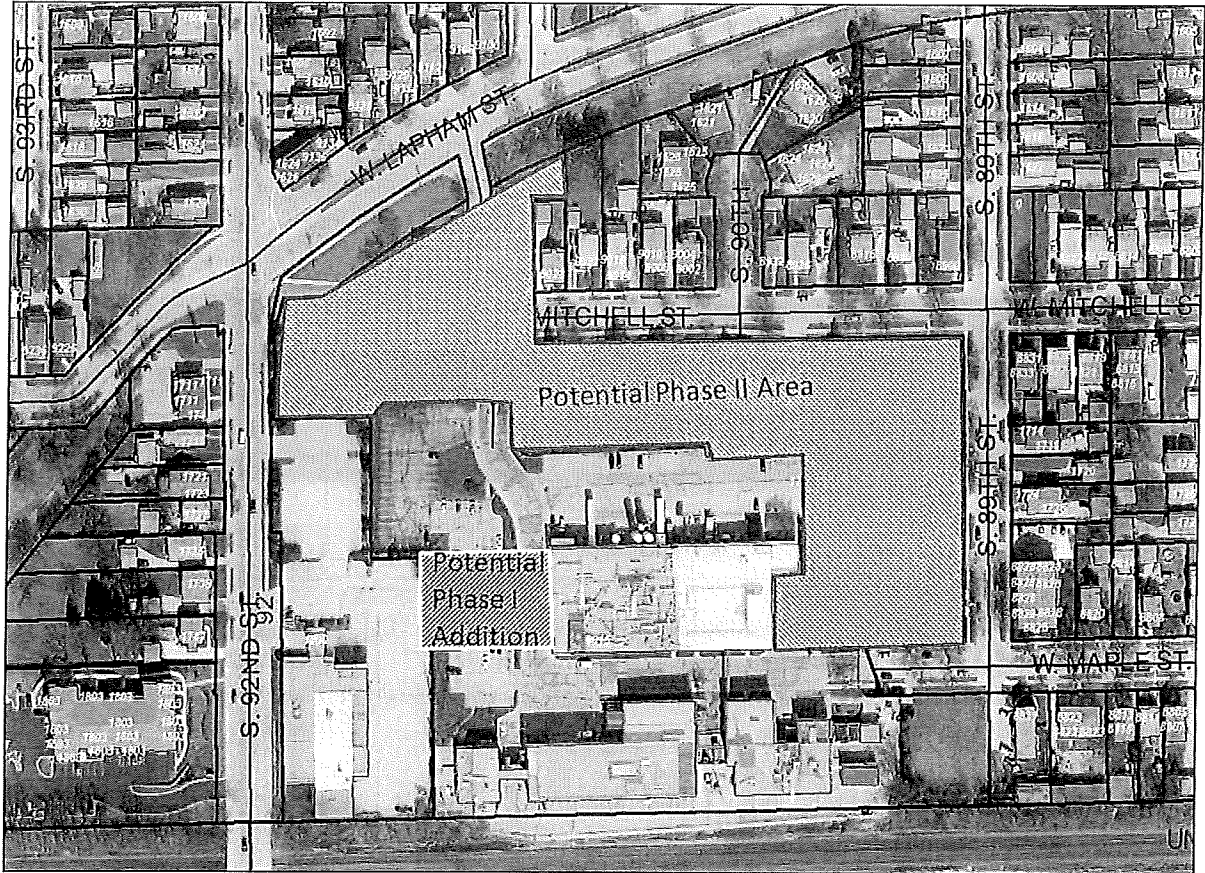
### Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

### Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

## SECTION 8: Map Showing Proposed Improvements and Uses



The proposed improvements identified on the map reflect the location of the Developer's proposed and potential future facility expansions. District Project Costs, consisting of development incentives may be made throughout the District, and in areas located within ½ mile of the District's boundaries.

SECTION 9:  
**Detailed List of Project Costs**

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The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified, and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 7 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

<b>City of West Allis, Wisconsin</b> <b>Tax Increment District #18 (Chr. Hansen Expansion)</b> <b>Estimated Project List</b>			
Project ID	Project Name/Type	Estimated Timing	Estimated Cost
1	Development Incentives - 20,000 S.F. Expansion	2023 - 2034	1,393,379
2	Development Incentives (Potential Future Expansions)	2025 - 2038	11,893,655
3	Housing & Other Econ. Dev. Incentives or Other Project Costs <sup>1</sup>	2025 - 2034	200,000
4	Administrative Expense	2019 - 2041	155,000
<b>Total Estimated Project Costs</b>			<b><u>13,642,034</u></b>
Notes:			
<sup>1</sup> Costs may be incurred within 1/2 mile of the District's boundaries.			

## SECTION 10: Economic Feasibility Study, Financing Methods, and the Time When Costs or Monetary Obligations Related are to be Incurred

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This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

### Key Assumptions

The analysis included in this Section assumes that the Project Costs the City plans to make will create \$40 million in incremental value by January 1, 2026. Phase I, projected to create \$5 million in incremental value, is expected to be completed by the end of 2021. For purposes of illustrating potential additional Phase II incentives, the analysis assumes that an additional \$25 million in incremental value will be created by the end of 2023, and an additional \$5 million by the end of both 2024 and 2025. These estimated valuations and timing are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$28.56 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate approximately \$19.3 million in incremental tax revenue over the 20-year term of the District as shown in **Table 2**.

**City of West Allis, Wisconsin**  
**Tax Increment District #18 (Chr. Hansen Expansion)**  
**Development Assumptions**

Construction Year	Phase I		Phase II		Annual Total	Construction Year
	Mfg. Facilities <sup>1</sup>	Mfg. Facilities <sup>2</sup>	Mfg. Facilities <sup>2</sup>	Mfg. Facilities <sup>2</sup>		
1 2020					0	2020 1
2 2021	5,000,000				5,000,000	2021 2
3 2022					0	2022 3
4 2023		25,000,000			25,000,000	2023 4
5 2024			5,000,000		5,000,000	2024 5
6 2025				5,000,000	5,000,000	2025 6
7 2026					0	2026 7
8 2027					0	2027 8
9 2028					0	2028 9
10 2029					0	2029 10
11 2030					0	2030 11
12 2031					0	2031 12
13 2032					0	2032 13
14 2033					0	2033 14
15 2034					0	2034 15
16 2035					0	2035 16
17 2036					0	2036 17
18 2037					0	2037 18
19 2038					0	2038 19
20 2039					0	2039 20
<b>Totals</b>	<b>5,000,000</b>	<b>25,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>40,000,000</b>	

**Notes:**

<sup>1</sup>Assumed valuation for Phase I taken from Chr. Hansen TIF assistance request letter received 11-21-2018.

<sup>2</sup>Development agreement provides for issuance of additional MROs for Phase II buildings or building additions where construction has commenced no later than July 1, 2025. Phase II estimated valuation is for purposes of illustration only. Phase II investment may not occur, or may be less or greater than assumed for modeling purposes.

**Table 1 – Development Assumptions**

**City of West Allis, Wisconsin**  
**Tax Increment District #18 (Chr. Hansen Expansion)**

**Tax Increment Projection Worksheet**

Type of District	Industrial	Base Value	7,401,486
District Creation Date	December 3, 2019	Appreciation Factor	0.00%
Valuation Date	Jan 1, 2020	Base Tax Rate	\$28.56
Max Life (Years)	20	Rate Adjustment Factor	
Expenditure Period/Termination	15 12/3/2034	Tax Exempt Discount Rate	
Revenue Periods/Final Year	20 2041	Taxable Discount Rate	
Extension Eligibility/Years	Yes 3		
Recipient District	No		

Construction Year	Value Added	Valuation Year	Inflation Increment	Total Increment	Revenue Year	Tax Rate <sup>1</sup>	Tax Increment
1 2020	0	2021		0	2022	\$28.56	0
2 2021	5,000,000	2022		5,000,000	2023	\$28.56	142,782
3 2022	0	2023		5,000,000	2024	\$28.56	142,782
4 2023	25,000,000	2024		30,000,000	2025	\$28.56	856,690
5 2024	5,000,000	2025		35,000,000	2026	\$28.56	999,471
6 2025	5,000,000	2026		40,000,000	2027	\$28.56	1,142,253
7 2026	0	2027		40,000,000	2028	\$28.56	1,142,253
8 2027	0	2028		40,000,000	2029	\$28.56	1,142,253
9 2028	0	2029		40,000,000	2030	\$28.56	1,142,253
10 2029	0	2030		40,000,000	2031	\$28.56	1,142,253
11 2030	0	2031		40,000,000	2032	\$28.56	1,142,253
12 2031	0	2032		40,000,000	2033	\$28.56	1,142,253
13 2032	0	2033		40,000,000	2034	\$28.56	1,142,253
14 2033	0	2034		40,000,000	2035	\$28.56	1,142,253
15 2034	0	2035		40,000,000	2036	\$28.56	1,142,253
16 2035	0	2036		40,000,000	2037	\$28.56	1,142,253
17 2036	0	2037		40,000,000	2038	\$28.56	1,142,253
18 2037	0	2038		40,000,000	2039	\$28.56	1,142,253
19 2038	0	2039		40,000,000	2040	\$28.56	1,142,253
20 2039	0	2040		40,000,000	2041	\$28.56	1,142,253
<b>Totals</b>	<b>40,000,000</b>		<b>0</b>		<b>Future Value of Increment</b>		<b>19,275,517</b>

Notes:  
<sup>1</sup>Assumed tax rate is actual TID interim rate for 2018/19 per DOR Form PC-202.

**Table 2 – Tax Increment Projection Worksheet**

### Financing and Implementation

Expected District Project Costs consist of “pay as you go” development incentives in an estimated amount of \$1.4 million for the 20,000 square foot Phase I expansion. To be eligible to receive the incentive payments, Developer must complete the Phase I improvements not later than December 31, 2022. The Plan also includes an \$11.9 million placeholder for additional Phase II “pay as you go” incentive payment that would be paid if Developer further expands within the District. This figure is an estimate and could increase or decrease: actual incentive amounts available would be determined by the timing and amount of incremental value created. Payment of incentives for any Phase II investment would be available only for buildings or building additions where construction commences prior to July 1, 2025.

In addition to development incentives for Developer’s project, the Plan includes an additional \$200,000 for incentives or other Project Costs to support housing or other economic development in areas located within ½ mile of the District, and \$155,000 for District administrative expense to include cost to create the District. All Project Costs will be paid from tax increment as it is received, and the City’s obligation to make development incentive payments will be limited to tax increment generated by the Project and subject to annual appropriation. The City will advance funds as needed to pay District administrative expenses prior to the availability of tax increments.

Based on the valuations and costs assumed, the District is projected to accumulate enough funds by the year 2037 to pay off all Project related District liabilities and obligations. The projected early closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected. A projection of District cash flows is found on **Table 3**.



**City of West Allis, Wisconsin**

**Tax Increment District #18 (Chr. Hansen Expansion)**

**Cash Flow Projection**

Year	Projected Revenues				Expenditures				Balances				
	Tax Increments	Interest Earnings/ (Cost) <sup>1</sup>	Total Revenues	Municipal Revenue Obligations (MRO)	Housing & Other Econ. Dev. Incentives	Administrative Expense	Total Expenditures	Annual	Cumulative	MRO Principal Outstanding	Year		
												Initial Expansion (Phase I)	Potential Expansions (Phase II)
2019													
2020	0	0	0	0		45,000	45,000	(45,000)	0	2019			
2021	0	0	0	0		5,000	5,000	(50,000)	0	2020			
2022	0	0	0	0		5,000	5,000	(55,000)	0	2021	1,393,379		
2023	142,782	0	142,782	97,782		5,000	102,782	(60,000)	40,000	2022	1,393,379		
2024	142,782	0	142,782	117,782		5,000	122,782	(20,000)	20,000	2023	9,812,494		
2025	856,690	0	856,690	117,782	20,000	5,000	856,690	0	0	2024	11,389,092		
2026	999,471	0	999,471	117,782	20,000	5,000	999,471	0	0	2025	12,239,781		
2027	1,142,253	0	1,142,253	117,782	20,000	5,000	999,471	0	0	2026	11,265,310		
2028	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2027	10,148,057		
2029	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2028	9,030,804		
2030	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2029	7,913,551		
2031	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2030	6,796,299		
2032	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2031	5,679,046		
2033	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2032	4,561,793		
2034	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2033	3,444,540		
2035	1,142,253	0	1,142,253	117,782	20,000	5,000	1,142,253	0	0	2034	2,327,287		
2036	1,142,253	3,256	1,145,508	0	974,471	5,000	979,471	162,782	162,782	2035	1,352,816		
2037	1,142,253	6,576	1,148,829	0	974,471	5,000	979,471	166,037	328,819	2036	378,345		
2038	1,142,253	24,242	1,166,495	0	260,563	5,000	265,563	883,266	1,212,085	2037	117,782		
2039	1,142,253	45,116	1,187,369	0	117,782	5,000	122,782	1,043,713	2,255,798	2038	0		
2040	1,142,253	68,763	1,211,016	0	0	5,000	5,000	1,182,369	3,438,167	2039	0		
2041	1,142,253	92,884	1,235,136	0	0	5,000	5,000	1,206,016	4,644,183	2040	0		
<b>Total</b>	<b>19,275,517</b>	<b>240,837</b>	<b>19,516,353</b>	<b>1,393,379</b>	<b>11,893,655</b>	<b>155,000</b>	<b>13,642,034</b>			<b>Total</b>			

**Notes:**

<sup>1</sup> Assumes 2% investment earnings on positive fund balances, and no interest charged on advances from other funds to cover deficit fund balances.

<sup>2</sup> Development agreement provides for issuance of additional MROs for Phase II buildings or building additions where construction has commenced no later than July 1, 2025. Phase II estimated MRO payments are provided for purposes of illustration only. Phase II investment may not occur, or may be less or greater than assumed for modeling purposes.

Projected TID Closure

Table 3 – Cash Flow

## SECTION 11: Annexed Property

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A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

## SECTION 12: Estimate of Property to be Devoted to Retail Business

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Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

## SECTION 13: Proposed Zoning Ordinance Changes

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The proposed Plan is in general conformance with the City's current zoning ordinances. Land within the District is zoned industrial and will remain in a zoning classification suitable for industrial sites for the life of the District.

## SECTION 14: Proposed Changes in Master Plan, Map, Building Codes and City of West Allis Ordinances

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The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for industrial development. Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

## SECTION 15: Relocation

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Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

## SECTION 16: Orderly Development of the City of West Allis

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Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by facilitating the expansion of industrial sites through redevelopment of property and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. The Project and its expansion of manufacturing facilities will result in short-term construction and long-term bio-science industry employment opportunities, and general improvement of the District area likely to enhance values of nearby property.

## SECTION 17: List of Estimated Non-Project Costs

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Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

SECTION 18:  
Opinion of Attorney for the City of West Allis Advising  
Whether the Plan is Complete and Complies with  
Wisconsin Statutes 66.1105

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[LEGAL OPINION TO BE INSERTED]

Exhibit A:  
**Calculation of the Share of Projected Tax Increments  
 Estimated to be Paid by the Owners of Property in the  
 Overlying Taxing Jurisdictions**

Estimated Portion of Taxes that Owners of Taxable Property in each Taxing Jurisdiction Overlaying District would pay by Jurisdiction <sup>1</sup>							
DOR Form PC-202 Year		2018/19	Percentage				
Milwaukee County		490,463	17.17%				
MMSD		169,500	5.94%				
City of West Allis		1,119,424	39.20%				
School District of West Allis		953,871	33.40%				
Milwaukee Area Technical College		122,564	4.29%				
<b>Total</b>		<b>2,855,823</b>					
Revenue Year	Milwaukee County	MMSD	City of West Allis	School District of West Allis	Milwaukee Area Technical College	Total	Revenue Year
2022	0	0	0	0	0	0	2022
2023	24,522	8,474	55,967	47,690	6,128	142,782	2023
2024	24,522	8,474	55,967	47,690	6,128	142,782	2024
2025	147,129	50,847	335,805	286,142	36,767	856,690	2025
2026	171,651	59,321	391,772	333,833	42,895	999,471	2026
2027	196,172	67,795	447,740	381,523	49,023	1,142,253	2027
2028	196,172	67,795	447,740	381,523	49,023	1,142,253	2028
2029	196,172	67,795	447,740	381,523	49,023	1,142,253	2029
2030	196,172	67,795	447,740	381,523	49,023	1,142,253	2030
2031	196,172	67,795	447,740	381,523	49,023	1,142,253	2031
2032	196,172	67,795	447,740	381,523	49,023	1,142,253	2032
2033	196,172	67,795	447,740	381,523	49,023	1,142,253	2033
2034	196,172	67,795	447,740	381,523	49,023	1,142,253	2034
2035	196,172	67,795	447,740	381,523	49,023	1,142,253	2035
2036	196,172	67,795	447,740	381,523	49,023	1,142,253	2036
2037	196,172	67,795	447,740	381,523	49,023	1,142,253	2037
2038	196,172	67,795	447,740	381,523	49,023	1,142,253	2038
2039	196,172	67,795	447,740	381,523	49,023	1,142,253	2039
2040	196,172	67,795	447,740	381,523	49,023	1,142,253	2040
2041	196,172	67,795	447,740	381,523	49,023	1,142,253	2041
<b>Total</b>	<b>3,310,406</b>	<b>1,144,049</b>	<b>7,555,608</b>	<b>6,438,198</b>	<b>827,255</b>	<b>19,275,517</b>	

Notes:  
<sup>1</sup>The projection shown above is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.